

# UNIVERSITY OF CALIFORNIA

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SANTA BARBARA • SANTA CRUZ

## OFFICE OF THE PRESIDENT

BRUCE B. DARLING  
Senior Vice President-University Affairs

Office of Federal Governmental Relations  
1608 Rhode Island Avenue, NW  
Washington, D.C. 20036  
Office (202) 974-6302  
Fax (202) 974-6330  
A. SCOTT SUDDUTH  
Assistant Vice President

June 26, 2003

The Honorable William M. Thomas  
Chairman  
The Committee on Ways and Means  
2208 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Thomas:

On behalf of the University of California (UC) and its five academic medical centers, thank you for your continued leadership on Medicare modernization and prescription drugs. We understand that today, the United States House of Representatives will consider H.R. 1, the "Medicare Prescription Drug and Modernization Act of 2003," that – in addition to providing a Medicare prescription drug benefit – includes much needed relief from the Medicaid Disproportionate Share (DSH) payment reductions currently affecting safety net providers like the University of California.

While the University remains concerned about the Medicare market basket reductions contained in the legislation, we strongly support your efforts to provide fair and adequate Medicaid DSH payments to safety net providers in California and across the nation. These funds are essential to hospitals like the University's three designated Medicaid DSH facilities, UC Davis, UC Irvine and UC San Diego, which serve a disproportionate share of California's uninsured and indigent populations.

Although H.R. 1 does not contain provisions relative to Graduate Medical Education (GME), the University of California continues to strive for an improved GME system that establishes a fair and perhaps more importantly, equitable payment formula for future GME funding.

We appreciate the consideration you and your staff have given to the many Medicare and Medicaid issues currently confronting the University of California. We stand ready and willing to work with you to make much needed improvements to both the Medicare and Medicaid programs. Thank you again for your effective leadership and continued support of the University of California.

Sincerely,

A handwritten signature in cursive script, reading "Scott Sudduth".

A. Scott Sudduth  
Assistant Vice President